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Proposed Attorneys for Debtors and Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

**Jointly Administered Under
 Case No. BK-S-06-10725 LBR**

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

**DECLARATION IN SUPPORT OF
 APPLICATION FOR AN ORDER
 SHORTENING TIME TO HEAR
 EMERGENCY MOTION FOR ORDER TO
 COMPEL FIDELITY NATIONAL TITLE
 INSURANCE COMPANY TO MAKE
 DISBURSEMENTS FROM LOAN FUNDS
 BEING HELD BY FIDELITY AS
 DISBURSEMENT AGENT (AFFECTS USA
 COMMERCIAL MORTGAGE COMPANY)**

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA First Trust Deed Fund, LLC

Date: OST Requested
 Time: OST Requested

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1 Jeanette E. McPherson, Esq. of Schwartzer & McPherson Law Firm, attorney for USA
 2 Commercial Mortgage Company (the “Debtor”), hereby under penalties of perjury, hereby
 3 declares on this 9th day of May, 2006 that:

4 1. An Emergency Motion To Compel Fidelity National Title Insurance Company To
 5 Make Disbursements From Loan Funds Being Held By Fidelity As Disbursement Agent (the
 6 “Emergency Motion”) has been filed by the Debtor. This Emergency Motion requests that the
 7 Court enter an order granting the Emergency Motion to prevent further damages to Debtor and to
 8 the borrowers (the “Borrowers”) on five loans originated by Debtor (the “Five Loans”) from the
 9 unilateral decision by Fidelity National Title Insurance Company (“Fidelity”) to stop making
 10 disbursements on the Five Loans because of the filing of Debtor’s Chapter 11 bankruptcy petition.
 11 The Emergency Motion requests that the Court compel Fidelity to begin making disbursements on
 12 the Five Loans from loan funds being held by Fidelity as disbursement agent that were forwarded
 13 to Fidelity by Debtor as Servicer for the Five Loans. The Five Loans are the Meadow Creek
 14 Loan, the Binford Medical Loan, the ComVest Capital Loan, the Palm Harbor One, and the
 15 Brookmere Loan.

16 2. Debtor’s attorneys have made demand on Fidelity to immediately begin making
 17 disbursements on the Five Loans, but Fidelity has not responded, and has not agreed to start
 18 making disbursements on the Five Loans. See, Declaration of Douglas Monson in Support of
 19 Emergency Motion for Order to Compel Fidelity National Title Insurance Company to Make
 20 Disbursements from Loan Funds Being Held by Fidelity as Disbursement Agent and in Support of
 21 Motion for Expedited Hearing filed contemporaneously herewith.

22 3. The Borrowers, the Debtor, and the investors in the Five Loans are being severely
 23 damaged by Fidelity’s unilateral decision to freeze all disbursement actions on the Five Loans.
 24 See, Declaration of Ken Schmidt in Support of Emergency Motion for Order to Compel Fidelity
 25 National Title Insurance Company to Make Disbursements from Loan Funds Being Held by
 26 Fidelity as Disbursement Agent filed contemporaneously herewith. If the disbursements to
 27 contractors performing construction services on the Five Loans are not made immediately, the
 28 construction work on the Five Loans will cease. The construction delays will impair the

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Borrowers' ability to repay the Five Loans, and the repayments of the Five Loans for the benefit of the investors will be delayed or possibly even lost. Debtor's long-term reorganization prospects could be damaged if these funded loan proceeds continue to be frozen unilaterally by Fidelity while the construction projects languish and contractors and subcontractors halt their construction activities and begin to file mechanic's liens and take other collection actions.

4. The Debtor is requesting that the Emergency Motion be heard as soon as possible to prevent further damages and injury to the Borrowers, the Debtor, and the investors in the Five Loans.

5. Notice can be shortened pursuant to Bankruptcy Rule 9006(c)(1) and LR 9006(a).

6. No known party opposes hearing the Emergency Motion on an expedited basis on shortened time.

DATED this 9th day of May, 2006.

/s/ Jeanette E. McPherson
 Lenard E. Schwartzer, Esq.
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